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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/672,448

09/26/2003

Simon Greenshields

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EXAMINER

POLLOCK, GREGORY A

ART UNIT

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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/672,448	<b>Applicant(s)</b> GREENSHIELDS ET AL.	
	<b>Examiner</b> GREG POLLOCK	<b>Art Unit</b> 3695	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 29 March 2010 and 28 June 2010.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948)                        | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### DETAILED ACTION

1. This action is responsive to claims filed 03/29/2010 and Applicant's request for reconsideration of application 10/672448 filed 03/29/2010 and 06/28/2010.

The amendment contains amended claim 1

Claims 2-66 have been canceled.

As such, claim 1 has been examined with this office action.

### ***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

3. **Claim 1** is rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Applicant introduces new matter to claim 1. Applicant amended claims recite the limit " funding a reserve account, maintained by the computer system, wherein the computer system is configured to make a transfer payment from the reserve account to the collections account in the event of a collections account shortfall for paying at least one of interest and principal on the debt instruments, and to make a transfer payment from the collections account to the reserve account to replenish the reserve account to at

least a reserve required balance” and “maintaining, by the computer system a damages and indemnity account, wherein the computer system is configured to, upon a damages, termination or indemnification condition, receive from the power supplier at least one of a damages, termination and indemnity amount, and to pay to the power distributor a corresponding amount”. There is no support for the computer system being configured to perform any decision making regarding when transactions concerning the contract are performed. At best, the present disclosure indicates that the computer system is used to perform electronically transfers of funds. However, there is no indication in the specification that software had been created which implements the novelty of the invention (which appears to be terms of a contract). As such, the amended claims add new matter.

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. The term “substantially” in **claim 1** is a relative term which renders the claim indefinite. The term “substantially” is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention. See MPEP § 2173.05(b).

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6. Regarding **claim 1**, the phrase "can" renders the claim indefinite because it is unclear whether the limitation(s) following the phrase are part of the claimed invention.

***Claim Rejections - 35 USC § 101***

7. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

8. **Claim 1** is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The claims are directed toward the statutory category of a method (process), however based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a statutory § 101 process must (1) be tied to a particular machine or apparatus or (2) physically transform underlying subject matter (such as an article or materials) to a different state or thing. (i.e. "machine-or transformation test"). If neither of these requirements is met by the claim, method is not a patent eligible process under § 101 and is rejected as being directed toward non-statutory subject matter.

There are two corollaries to the machine-or-transformation test. First, a mere field-of-use limitation in the preamble is insufficient to render an otherwise ineligible method claim patent-eligible. The machine or transformation must impose meaningful limits on the method claims scope to pass the test. Second,

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insignificant extra-solution activity will not transform an unpatentable principle into a patentable process. Therefore, reciting a specific machine or a particular transformation of a specific article is an insignificant step, such as data gathering or outputting, is not sufficient to pass the test. Nominal recitations of structure in an otherwise ineligible method fail to make the method a statutory process. See *Benson*, 409 U.S. at 71-72. As *Comiskey* recognized, "the mere use of the machine to collect data necessary for application of the mental process may not make the claim patentable subject matter." *Comiskey*, 499 F.3d at 1380 (citing *In re Grams*, 888 F.2d 835, 839-40 (Fed. Cir.1989)). Incidental physical limitations, such as data gathering, field of use limitations, and post-solution activity are not enough to convert an abstract idea into a statutory process. In other words, nominal or token recitations of structure in a method claim do not convert an otherwise ineligible claim into an eligible one.

As example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter being transformed, for example by identifying the material being changed to a different state. (*Diamond v. Diehr*, 450 US 175, 184 (1981); *Parker V. Flook*, 437 US 584,588 n.9 (1978); *gottschalk v. Benson*, 409 US 63, 70 (1972); *Cochrane v*

Deener, 94 US 780, 787-88 (1876)). Applicant is also directed to MPEP § 2173.05p, providing guidance with respect to reciting a product and process in the same claim and MPEP § 2111.02 [R3] providing guidance with respect to the effect of limitations within the preamble of a claim.

**In reference to claims**, the claims do not qualify as statutory process by identifying a “particular” machine that accomplishes the method steps. Claim 1 recites *inter alia* the claim limits which receive and transmit payment data. Note that the phrase “configured to make a transfer payment” has two interpretations. One interpretation is that the computer system is configured to make decisions of when to make the transfer of payment and how much payment to transfer. This interpretation is the basis of the 35 USC § 112 1<sup>st</sup> rejection. The other interpretation is that the computer system is simply being configured to transfer funds (where the decision of when to make the transfer and how much payment to transfer is not made by a particular machine). This is the basis of the 35 USC § 101 rejection, since the transmission and reception of data is an insignificant extra-solution activity. It is not clear from the specification and claims that the method steps are performed by particular software that resides on a physical media and when read by a processor executes the method steps.

***Claim Rejections - 35 USC § 103***

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claim 1 is rejected under 35 U.S.C. 103(a) as being unpatentable over Applicant's background of invention (Greenshields et al., U.S. Application No. 10/672448, "BACKGROUND OF INVENTION" section and Figures 1 and 2, labeled prior art.) in view of Ginter et al. (PGPub No. 20050177716).

**As per claim 1**, Applicant's background of invention teaches **computer-implemented method of facilitating the monetization of an original power contract** (Power Purchase Agreement ("PPA") [¶12], [¶14, lines 4-9] and [¶22, lines 1-2]) **between an original power supply entity** (power company [Figures 1 and 2, element 10]) **and a power distributor** (utility [Figures 1 and 2, element 12]) **wherein the original power contract is for supplying specified electricity deliveries, from a specified power facility, over a specified time period at a specified price per quantity of energy, and supplying a specified energy capacity** ([¶12] [Figure 1] Note that the phrase "for supplying specified electricity deliveries, from a specified power facility, over a specified time period at a specified price per quantity of energy, and supplying a specified energy capacity" is a statement of intended use of the "original power contract" and not a positive recitation of a claim limit.), **comprising:**

**establishing a special purpose vehicle (SPV) for providing electricity and energy capacity to the power distributor, pursuant to a revised power contract between the SPV and the power distributor, wherein the revised contract obligates the first entity to supply electricity and energy capacity to the power distributor, and obligates the power distributor to pay the SPV at specified periods, and wherein the revised power contract is a revised version of the original contract revised to provide that the first entity can supply electricity to the power distributor from sources other than the specified power facility** ([¶12-14] [Figure 1] Note that the phrase "for providing electricity and energy capacity to the power distributor, pursuant to a revised power contract between the SPV and the power distributor, wherein the revised



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contract obligates the first entity to supply electricity and energy capacity to the power distributor, and obligates the power distributor to pay the SPV at specified periods, and wherein the revised power contract is a revised version of the original contract revised to provide that the first entity can supply electricity to the power distributor from sources other than the specified power facility” is a statement of intended use of the “special purpose vehicle” and not a positive recitation of a claim limit.);

**issuing, by the SPV, interest-bearing debt instruments to investors** (bonds sold from the SPV [¶15, lines 1-2]), **wherein proceeds from the issuance are used by the SPV to pay the original power supply entity for a transfer of the original power contract** (Note that the phrase “wherein proceeds from the issuance are used by the SPV to pay the original power supply entity for a transfer of the original power contract” is a statement of intended use and not a positive recitation of a claim limit.);

**supplying electricity, by a power supplier, pursuant to a mirror power contract between the power supplier and the SPV, wherein the mirror power contract substantially matches the terms of the revised power contract with respect to at least (a) specified electricity and energy capacity to be delivered, and (b) penalties for breach, and wherein the price for the specified electricity and energy capacity in the mirror power contract is lower than in the revised power contract, and wherein the SPV passes on the supplied electricity to the power distributor** (mirror PPA [Figures 1 and 2]);

**receiving for addition to a collections account that it maintains on behalf of the SPV, an electronic payment from the power distributor for at least one of the specified periods in the revised power contract ([¶17-18]** Note that the phrase “for addition to a collections account that it maintains on behalf of the SPV” is a statement of intended use and not a positive recitation of a claim limit.), **and wherein;**

**transmitting from the collections account, for the at least one of the specified periods, an electronic payment to the power supplier pursuant to the mirror power contract ([¶16-17]);**

**transmitting from the collections account, payments on at least one of interest and principal for the debt instruments issued by the SPV ([¶15] [¶20-21]);**

**funding a reserve account, wherein the computer system is configured to make a transfer payment from the reserve account to the collections account in the event of a collections account shortfall for paying at least**

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**one of interest and principal on the debt instruments, and to make a transfer payment from the collections account to the reserve account to replenish the reserve account to at least a reserve required balance ([¶15]**

**[¶18] Note that the phrase “to replenish the reserve account to at least a reserve required balance is a statement of intended use and not a positive recitation of a claim limit.); and**

**maintaining a damages and indemnity account, wherein the computer system is configured to, upon a damages, termination or indemnification condition, receive from the power supplier at least one of a damages, termination and indemnity amount, and to pay to the power distributor a corresponding amount ([¶20]).**

The Applicant's background of invention does not teach that **a computer system which comprises a programmed processor and operatively associated memory** is used to receive and transfer data.

Ginter et al. teach that **a computer system which comprises a programmed processor and operatively associated memory** is used to receive and transfer data (see at least [Abstract] [¶139] [¶192-219]).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have used the computer system as taught by Ginter et al. to transfer data related to the accounts as found in the Applicant's background of invention to realize the claimed invention. The claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

### ***Response to Arguments***

11. Applicant's arguments with regards to claim 1, filed 03/29/2010 and 06/28/2010 have been fully considered but they are not persuasive.
12. APPLICANT REMARKS CONCERNING Claim Rejections - 35 USC § 101: The applicant contends that Claim 1 is directed to a process (i.e., "A computer-implemented method of facilitating the monetization of an original power contract

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between an original power supply entity and a power distributor..."). As such, the claim is patent-eligible if: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. See *In re Bilski*, 545 F.3d 943, 954, 88 USPQ2d 1385, 1391 (Fed. Cir. 2008) (en banc). Here, claim 1 is patent-eligible because it satisfies the "particular machine prong" because it recites a particular machine, namely a "computer system" that "comprises a programmed processor and operatively associated memory" that is critical to the claimed invention. The claimed "computer system" receives an electronic payment from the power distributor, transmits an electronic payment to the power supplier, transmits payments for the debt instruments issued by the SPV, maintains a reserve account, and maintains a damages and indemnity account. Each of these steps is critical to the solution of claim 1. Thus, the computer system is not used for insignificant extra-solution activity. Therefore, applicants submit that claim 1 satisfies § 101.

13. EXAMINER'S RESPONSE: The Examiner respectfully disagrees with Applicant's arguments. The specification indicates that the computer system is only used to transfer data. The computer system does not make decisions based on the data transferred or implement any of the terms of the contract in such a manner that the computer system determines when or how much of the funds are transferred. As such, any general purpose computer can be used to transfer data as found in the present application. Implying that the computer system is programmed to perform anything more than transfer of data related to funds raises the issue of

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35 USC § 112 1<sup>st</sup> compliance. See the Claim Rejections - 35 USC § 112 and Claim Rejections - 35 USC § 101 sections for a full explanation.

14. APPLICANT REMARKS CONCERNING Claim Rejections - 35 USC § 103 (page 11-12): The applicant contends that the newly amended claims are not found in the art of record.
15. EXAMINER'S RESPONSE: The argument is moot since new grounds of rejection have been entered. The prior art rejection found in this office action serves as the examiner's response to arguments.

### ***Conclusion***

16. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Gregory Pollock whose telephone number is 571 270-1465. The examiner can normally be reached on 7:30 AM - 4 PM, Mon-Fri Eastern Time.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Chuck Kyle can be reached on 571 272-5233. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

GAP

08/16/2010

/Gregory Pollock/  
Examiner, Art Unit 3695

Gregory A. Pollock

/Thu Thao Havan/  
Primary Examiner, Art Unit 3695